



FACT SHEET



The Relationship Between CFC & United Way of the National Capital Area

- ✓ Combined Federal Campaign (CFC) activities are authorized, described, and governed by Federal law (5 CFR 950).
- ✓ Each local CFC is run by a Local Federal Coordinating Committee (LFCC) using OPM policy and guidance. The LFCC is composed of representatives from Federal departments and agencies, employee unions, and other federal employee groups.
- ✓ In accordance with federal regulations, each year the LFCC solicits and selects through a competitive process, a **charitable** organization to administer the day-to-day CFC operations, to handle the fiscal accounting for the CFC campaign, and to act as the campaign coordinator. The organization selected is known as the Principal Combined Fund Organization (PCFO) and works under contract to the LFCC.
- ✓ The United Way of the National Capital Area (UWNCA) applied for and was selected as the PCFO for the 2002 CFC. The UWNCA was selected based on its ability to conduct an efficient and effective campaign in a fair and even-handed manner. **The day-to-day operation of the CFC is carried out by a separate unit of UWNCA.**
- ✓ No charitable organization other than the UWNCA has ever applied to run the CFC in the National Capital Area.
- ✓ The contract to run the CFC was awarded to the UWNCA based on a written campaign plan and detailed budget estimates. As the PCFO, the UWNCA must advance the cost of running the campaign and is reimbursed for actual costs, as approved by the LFCC, from the gross receipts of the campaign. Administrative costs include such things as CFC staff salaries, printed campaign materials, and CFC website maintenance. For the NCA 2001 CFC, campaign costs amounted to about 4.6% of CFC money pledged. Campaign expenses are shared by all recipient organizations based on their share of the campaign receipts.
- ✓ Federal law requires the PCFO to “keep and maintain CFC financial records and interest bearing bank accounts separate from the PCFO’s internal financial records and bank accounts.” (5 CFR 950.105(d)(8))
- ✓ An independent audit is performed by a certified public accountant at the end of each year’s CFC. In addition, the Inspector General of OPM performs an audit of CFC activities every two years. In the nearly 40 years that the UWNCA has served as PCFO, no significant negative audit findings have been reported in CFC operations.
- ✓ The current OPM/IG investigation/audit is to ensure that all CFC dollars to UWNCA federation members have been handled appropriately.
- ✓ **In its non-PCFO role**, the UWNCA represents almost 800 local charities and provides services to them. These charities receive CFC dollars as designated by Federal employees as well as non-federal contributions.
- ✓ UWNCA is responsible for handling and distributing all of the funds, including the CFC funds, designated to its member organizations. The UWNCA receives a fee from its member organizations for handling some aspects of their activities. The fee is 3% of the funds designated to the member organization. The CFC costs plus the UWNCA costs mean that a charitable organization affiliated with the United Way will receive 93 cents out of every dollar donated to them through CFC.